

1949 LOSS ADJUSTMENT MANUAL FOR WHEAT AND FLAX

GENERAL

Since this procedure deals almost entirely with the preparation of Inspection Reports and Statements in Proof of Loss the adjuster should thoroughly familiarize himself with the general provisions of the program as well as his responsibilities and those of the state director, district supervisor and county committee in order that he may ably represent the Corporation in his field contacts. This information and instructions relative to Form FCI-8-Revised, "Notice to Corporation of Damage or Probable Loss" (herein called "Form 8") are contained in the Adjuster's Handbook issued under separate cover.

SECTION I. INSPECTIONS AND PREPARATION OF THE INSPECTION REPORT

Subsection A. Inspections

1. It is essential that the adjuster clearly understand what constitutes an "insurance unit," because losses are adjusted on an insurance unit basis. An insurance unit consists of (a) all insurable acreage of the insured crop in the county in which the insured has 100 percent interest at the time of seeding, or (b) all insurable acreage of the insured crop in the county which at the time of seeding is operated by the insured as a share tenant and owned by one person, or (c) all insurable acreage in the county which at the time of seeding is owned by the insured and rented to one share tenant. In determining the land constituting an insurance unit, cash rented land or land rented for a fixed commodity rent shall be considered as owned by the lessee. Land which is designated on the county crop insurance map as "unclassified" does not constitute an insurance unit or any part thereof.
2. The adjuster shall prepare Form FCI-863, "Inspection Report," (herein called "Form 863") in accordance with subsection B below for each insurance unit at the time of each inspection of the unit. A separate Form 863 shall be prepared for each part of an insurance unit in the following cases:
 - a. When parts of the unit are located in different coverage and rate areas (herein called "areas");
 - b. When two or more practices for which different coverage or premium rates have been established are followed on parts of the insurance unit such as: (continuous cropping, summer fallow, etc.);
 - c. When a transfer of interest has been approved involving a part of the acreage or a part of the insured's interest in the crop on the unit; or
 - d. When the insured has different shares in the crop on parts of the unit.
3. When Form 8 does not include a request for release of acreage and the state director or the district supervisor (or the adjuster, where authorized) determines that an inspection is not necessary, a letter shall be directed to the insured setting forth the following:

- a. The insured's contract number and the description of the acreage involved;
- b. The reason an inspection is not deemed necessary at that time;
- c. That any later material damage to the crop or loss after harvest should be reported promptly; and
- d. That evidence of seeding should not be destroyed or other use made of the acreage before an inspection is made by a Corporation representative.

This letter shall be prepared in triplicate, the original mailed to the insured, a copy forwarded to or retained by the state director and a copy filed in the insured's county office folder.

4. The adjuster shall visit the county office and familiarize himself with all material in the insured's file, including any Form 863 previously prepared and current correspondence, and shall obtain records and other data which will be helpful to him in making the inspection, except in cases where he determines a visit to the county office is not necessary.
5. The adjuster shall determine whether an acreage report has been submitted by the insured.
 - a. If the acreage report has not been submitted and it is more than 30 days after seeding is generally completed in the area, the adjuster shall prepare a Form 863 for each insurance unit (or part thereof) in which the insured had an interest at the time of seeding. The Form(s) 863 shall be prepared in the regular manner except that no acreage shall be released. This will mean that no entry is to be made in column C of Form 863 in such cases. The adjuster shall set forth in detail in Part III of Form 863 (i) the reason why the acreage report had not been filed within the 30 day period, (ii) the estimated total acreage of the insured crop on the unit (or part thereof) and the insured's interest therein, (iii) the acreage damaged and the extent of damage, (iv) the condition of the crop and the appraisal of production for the damaged and any undamaged acreage, and (v) all other pertinent facts. The case shall be referred immediately to the state director.
 - b. If the acreage report has not been submitted and it is less than 30 days after seeding is generally completed in the area, the adjuster shall obtain the acreage report and handle the inspection in the regular manner.
 - c. If an acreage report has been submitted previously by the insured and no part of the unit on which the damage has occurred is listed on the acreage report, a Form 863 shall be prepared for the unit in the regular manner except that no acreage shall be released. The adjuster shall set forth in detail in Part III of Form 863 (i) the reason why the unit was not reported on the acreage report, (ii) the estimated total acreage of the insured crop on the unit and the insured's interest therein, (iii) the acreage damaged and the extent of damage, (iv) the condition of the crop and the appraisal of production for the damage and any undamaged acreage, and (v) all

other pertinent facts including full information concerning any other unit for which no data are listed on the acreage report. The case shall be referred immediately to the state director.

6. Where the adjuster finds that there has been a transfer of interest in an insured crop which took place before the beginning of harvest or the time of loss, whichever occurs first, he shall determine whether Form FCI-21-Revised, "Transfer of Interest," has been filed by the transferee (and signed by the transferor, if available). If this has not been done the adjuster shall advise the transferee that if he desires insurance on the interest transferred it will be necessary for both parties (if available) to go by the county office to file Form FCI-21-Revised or to execute this form and give it to the adjuster.

In order to avoid selectivity in transfer of interest cases the Corporation feels that the transferee should file Form FCI-21-Revised within 15 days after the transfer. If the condition of the insured crop on the acreage transferred is such that a loss is likely and a Form FCI-21-Revised has not already been filed and it is more than 15 days after the transfer occurred, the adjuster shall inform the insured that the transfer may not be approved by the Corporation.

Where the Form FCI-21-Revised has not already been filed and is not given to the adjuster, he shall prepare Form FCI-6 "Statement of Facts" showing all data required to be entered on Form FCI-21-Revised. Where Form FCI-6 is prepared in such cases two copies shall be forwarded to the state director and one copy to the county office. Where Form FCI-21-Revised is executed and given to the adjuster, all copies thereof shall be sent or taken to the county office for handling in accordance with the procedure issued as an attachment to SD-470 dated October 7, 1948.

Subsection B. Preparation of Form 863

1. Heading

All entries are self-explanatory and shall be completed in every case.

2. Part I - Field or Tracts Containing Damaged Acreage.

Data for each field or tract containing damaged acreage shall be entered in Part I. Data for all fields or tracts may be entered for pre-harvest inspections at the discretion of the state director but complete data for all fields or tracts must be entered at any time a loss is adjusted.

Where there is insufficient space in Part I to record the necessary data, additional Forms 863 shall be prepared and properly identified as "Continuation Sheet: Page ___ of ___ pages."

Column A: For pre-harvest inspections enter the identification of each field or tract as instructed by the state director. When a loss is adjusted enter the identification of all fields or tracts on the unit. (This identification shall correspond with the identifying symbols assigned to each field or tract on the sketch map in Part III).

Column B: Enter the estimated total acreage (or the measured acreage) of the insured crop in each field or tract identified in column A. The acreages entered at the time the loss is adjusted must be measured acreages.

Column C: Enter the acreage which is released in each such field or tract. It should be remembered that no acreage is to be released in cases where the acreage report is not filed within 30 days after seeding is generally completed in the area or in cases where the insurance unit was not reported on the acreage report. (Do not enter harvested acreage in column C unless there is some appraised production for such acreages.) Estimate this acreage as accurately as possible in case it is released during the growing season, except that the acreage shall be accurately determined (1) where all of the insured acreage on the unit is being released, or (2) where the boundaries of the acreage being released cannot be definitely determined at a later date. Where the acreage being released is only a part of the acreage in a field or tract and such acreage is not accurately determined, its location shall be sketched on the sketch map in Part III.

The adjuster shall not release any acreage seeded to the insured crop until he determines that:

(a) The insured crop has been destroyed or substantially destroyed.

(The crop is not considered to be substantially destroyed unless it has been so badly damaged that farmers generally in the area where the land is located and to whose crops similar damage occurred would not further care for the crop or harvest any part thereof); and

(b) It is too late to reseed land to the insured crop in the area. If it is practicable for the insured to reseed to the insured crop he shall be advised that unless the acreage is reseeded it will not be considered as insured acreage. In areas where both winter and spring wheat are grown, if the winter wheat crop is destroyed and it is practicable to reseed to spring wheat, the insured shall be advised that unless the acreage is reseeded to spring wheat it will not be considered as insured acreage.

Column D: For each acreage released prior to harvest, enter a per acre appraisal of the estimated yield that would be realized if such acreage remained for harvest. Since the Corporation is relinquishing its opportunity to determine the actual yield, in making this appraisal the adjuster must assume that favorable growing conditions will prevail until harvest time. Where any of the damage is due to causes not insured against the extent of such damage shall be described in Part III.

The insured shall be advised that (1) where any of the crop has been partially destroyed but not released, proper measures must be taken to protect it from further damage, and (2) if insured acreage is put to another use without the consent of the Corporation, such acreage will be subject to an appraisal at least equal to the coverage therefor.

Column E: For each acreage released, enter the production per acre to be counted, which shall be the applicable of the following: (No harvested production shall be included in this column).

(1) Acreage released and seeded to a substitute crop.

- (a) Commodity Insurance: That portion of the appraised production per acre which exceeds the coverage per acre for such acreage.
- (b) Monetary Insurance: That portion of the appraised production per acre which exceeds the bushel equivalent of the coverage per acre for such acreage. (The bushel equivalent of the coverage per acre for such acreage is such coverage per acre divided by the price for valuing production).

(2) Acreage released and not harvested and not seeded to a substitute crop:

- (a) Commodity Insurance: That portion of the appraised production per acre which exceeds the result obtained by subtracting (1) the coverage per acre for such acreage from (2) the coverage per acre for such acreage on a harvested acreage basis.
- (b) Monetary Insurance: That portion of the appraised production per acre which exceeds 1 bushel per acre for wheat or 0.3 bushel per acre for flax.

(3) Acreage not released:

- (a) Where the insured crop is not threshed, but is otherwise harvested as grain or seed, the entire appraised production per acre shall be counted.
- (b) Where the acreage is put to another use without the consent of the Corporation, the production per acre to be counted shall be the larger of (1) the appraised production per acre or (2) the coverage per acre on a harvested acreage basis in the case of commodity insurance, or in the case of monetary insurance the bushel equivalent of the coverage per acre on a harvested acreage basis which is such coverage per acre divided by the price for valuing production).
- (c) Where the yield on an acreage has been reduced solely by cause(s) not insured against, the production per acre to be counted shall be the larger of (1) the appraised reduction in production per acre or (2) the coverage per acre on a harvested acreage basis in the case of commodity insurance (or in the case of monetary insurance the bushel equivalent of the coverage per acre on a harvested acreage basis which is such coverage per acre divided by the price for valuing production), minus any production per acre harvested from such acreage.
- (d) Where the yield is reduced due partially to cause(s) not insured against and partially to cause(s) insured against, the production per acre to be counted shall be the appraised production per acre by which the yield has been reduced because of cause(s) not insured against.

Paragraphs (b), (c), and (d) above shall be fully explained in Part III of Form 863.

Column F: Enter the primary insured cause of damage to the insured crop in each field or tract identified in column A.

Column G: Enter the date of the insured damage to the insured crop in each such field or tract.

Column H: Enter the intended (or actual) use of the acreage in each field or tract.

Column I: Enter the name of the person other than the insured who shares in the insured crop in each field or tract. Where applicable, ditto marks may be used rather than writing the name of the same person on succeeding lines.

Column J: Enter the share in the crop of each person whose name appears in column I. Verify the insured's reported share(s) in the crop, as indicated on Form 8. If the share(s) reported by the insured at the time of inspection as his share(s) in the crop at the time of seeding varies from his previous reports, explain such discrepancy in Part III.

3. Part II - Threshed Grain

Part II shall include the shares of all persons in the threshed production of the insured crop on the unit (or part thereof covered by Form 863.)

Routine completion of Part II of Form 863 shall not be considered adequate to determine the quantity of threshed grain which was produced on the land covered by the form. The adjuster shall fully satisfy himself, by such investigation as may be necessary, that the yield appears to be consistent with the yield of comparable land in the area.

Item 1. Farm Stored Grain: The data for each bin shall be recorded in item 1. All dimensions listed shall be actual inside bin measurements and shall be expressed in feet and tenths of feet. (Where the gross bushels by weight were determined before the grain was stored, and records of this determination are acceptable to the adjuster, the manner in which such determination was made shall be entered on one of the lines in item 1 and only columns T, U, and V need be completed for this grain.)

Columns K, L, and M. - These columns are self-explanatory.

Column N: Enter the depth of the grain in the bin. If grain from the present crop is stored in a bin which also contains grain from a previous crop, only the depth of grain from the present crop shall be measured.

Column O: Enter the gross cubic feet of the grain which shall be computed by the following applicable method:

Rectangular bins (inside measurements).

Multiply the length by the width by the depth of the grain.
(Columns L, M, N).

Round to the nearest tenth of a foot after each computation.

Round bins (inside measurements).

Multiply the square of the diameter by 0.7854 and multiply the result by the depth of the grain (Columns L x L x 0.7854 x Column N). Round to the nearest tenth of a foot after each computation.

Column P: Enter the cubic feet of deduction for space occupied by chutes, vents, studs, cross-ties, etc., if any, which have been included in the overall measurements of the grain.

Column Q: Enter the result obtained by subtracting the quantity shown in column P from the quantity shown in column O.

Column R: Enter the result obtained by multiplying the quantity shown in column Q by 0.8. Round to the nearest tenth of a bushel.

Column S: The test weight for wheat shall be assumed to be 60 pounds and the test weight for flax shall be assumed to be 56 pounds unless the insured or the adjuster believes that the actual test weight is more or less than that stated, in which case an actual test weight should be determined.

If the test weight is to be determined, representative samples shall be taken from each bin for this purpose. These samples shall be properly designated by the adjuster to correspond with the bin numbers.

Column T: Enter the result obtained by multiplying the entry in column R by the percentage factor (obtained from the table below) for the test weight as shown in column S. This entry shall be rounded to the nearest tenth of a bushel.

TABLE OF CORRECTION FACTORS TO CONVERT GROSS BUSHELS BY VOLUME TO GROSS BUSHELS BY WEIGHT

WHEAT AND FLAX

Test Weight (Pounds)	Percentage factor		Test Weight (Pounds)	Percentage factor	
	(Wheat)	(Flax)		(Wheat)	(Flax)
65	108	---	50	83	89
64	107	---	49	82	87
63	105	---	48	80	86
62	103	---	47	78	84
61	102	---	46	77	82
60	100	107	45	75	80
59	98	105	44	73	79
58	97	104	43	72	77
57	95	102	42	70	75
56	93	100	41	68	73
55	92	98	40	67	71
54	90	96	39	65	70
53	88	95	38	63	68
52	87	93	37	62	66
51	85	91	35	60	62

Column U: In areas where it is customary to sell the grain on a clean basis and where the coverage and premium rate have been established accordingly, enter the percentage of dockage or foreign material. In the case of wheat, other small grain threshed with the wheat shall not be considered as dockage or foreign material. The percentage of dockage or foreign material shall be determined on the basis of weight (Not volume). No entry shall be made in column U in areas where the grain is sold on a field run basis.

Column V: Multiply the entry in column T by the entry in column U, subtract the result thus obtained from the entry in column T, and enter the remainder in column V. The result of this computation shall be rounded, and the entry in column V shall be expressed to the nearest tenth of a bushel. If there is no entry in column U, the entry in column T shall be entered in column V.

Items 2 through 7: These items are self-explanatory.

4. Part III - Adjuster's Narrative Report and Sketch of Insurance Unit.

(a) Adjuster's Narrative Report

Part III shall be completed each time a Form 863 is prepared. The director shall outline for the adjuster the information which he thinks the Corporation will need in the final determination of the loss, if any, and instruct the adjuster to enter in Part III whatever of that information is available.

Any causes of damage not included in Part I, and the dates thereof shall be entered in Part III. When any damage is due to an uninsured cause, enter a full explanation and set forth the extent of such damage, including the number of acres damaged and the appraised reduction in production per acre due to such damage. A notation describing the condition of all of the acreage of the insured crop which is not accounted for in Part I shall be included in Part III.

Where an inspection is being made during the growing season, the adjuster shall determine whether the acreage of the insured crop in all fields or tracts on the unit (or part thereof covered by Form 863) approximates the reported acreage as shown on Form 8. If, in his opinion, there is a substantial difference between the two figures, an explanation of why such difference exists shall be entered in Part III.

(b) Sketch Map of Insurance Unit:

The adjuster shall make a rough sketch of the entire unit in the space provided. (If more than one Form 863 is prepared for a unit to cover different areas, interests, etc., only one of the forms need show a sketch of the unit). The following data shall be entered in or near each field or tract on the sketch map (or in the Narrative Report where there is insufficient space on the sketch map):

- (a) An identifying field or tract symbol (A, B, C, 1, 2, 3, NW, SE, etc.)
- (b) Condition of the crop at the time of the inspection.
- (c) Any measurements taken or land-marks used or to be used in determining the acreage.
- (c) Date and Signature: In the space provided above Part III, the adjuster shall sign Form 863 and enter the date on which the inspection is made. The signature of the insured should also be obtained unless it is impracticable to do so.

Form 863 shall be distributed in accordance with Section V, page ___, hereof.

Subsection C. Unmerchantable or Salvage Wheat Production - (Applicable only to Wheat)

1. Commodity Insurance

If the insured claims and the adjuster finds that because of damage due to causes insured against, a part of the threshed production cannot be sold at a value equal to 50 percent of the local market price the adjuster shall determine the appraisal for this unmerchantable production by preparing Form FCI-666-A, as shown below. This form shall be prepared in duplicate and attached to the state and county office copies of Form 863. The entry determined for item 11 of Form FCI-666-A shall be entered in item 8, column B, of the Statement in Proof of Loss, if one is prepared.

FCI-666-A

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

APPRAISAL FOR UNMERCHANTABLE PRODUCTION

- (1) Local market value per bu, of wheat.....\$ _____
- (2) Unmerchantable production threshed.....Bu. _____
- (3) Value per bushel of unmerchantable production.....\$ _____
- (4) Total value of unmerchantable production (2) x (3).....\$ _____
- (5) Insured production.....Bu. _____
- (6) Total actual production including all appraised production but including (2) above.....Bu. _____
- (7) Insured production minus item (6).....Bu. _____
- (8) Fixed price per bushel.....\$ _____
- (9) Bushels determined by dividing value of umerchantable production by fixed price (4) ÷ (8).....Bu. _____

(10) 1/2 of the smaller of item (2) or item (7).....Bu. _____

(11) Appraisal of unmerchantable production (9) / (10).....Bu. _____

2. Monetary Insurance: If the insured claims and the adjuster finds that because of damage due to causes insured against, a part of the threshed production cannot be sold to an elevator for milling or feeding purposes, the adjuster shall determine the appraisal for this salvage wheat by dividing the value of such wheat, as determined by the adjuster, by the price for valuing production. A full explanation of this determination shall be made in Part III of Form 863.

SECTION II - ADJUSTMENT OF CLAIMS

Subsection A. General

1. Responsibilities of the insured:

- a. The insured shall use Form FCI-967, "Statement in Proof of Loss" (herein called "Form 967") in submitting a claim for loss.
- b. The insured shall submit claim for loss within 60 days after the time of loss. (In case all of the acreage on the unit is released prior to harvest, the time of loss is the date of the damage resulting in the release. In case the insured crop is threshed or removed from the field prior to October 31 of the crop year, the time of loss is the date of completion of threshing or removal from the field. In case the insured crop is not threshed or is not removed from the field prior to October 31, the time of loss is October 31).
- c. The insured shall establish that the amount of any loss for which claim is made has been directly caused by one or more of the hazards insured against by the contract during the term thereof, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.

2. Responsibility of the adjuster:

- a. The adjuster shall not approve a Form 967 until (1) he has inspected all fields or tracts in the unit, (2) he has determined the acreage seeded to the insured crop on the unit, (3) he has verified to his satisfaction the production for the unit, (4) he has made any necessary appraisals of production per acre, and (5) he has determined that the loss is due to insurable causes.
- b. The adjuster shall not approve a Form 967 covering a unit on which any acreage is released until he determines the use made of this acreage.
- c. The adjuster shall not approve a Form 967 before the end of the insurance period if there is any possibility of threshing any production from the unit at a later date.

Subsection B. General Instructions Applicable to Preparation of Form 967.

1. A separate Form 967 (or a "master" and "supplemental" Forms 967, where subsection D of this Section applies) shall be prepared for each unit on which a loss is claimed.
2. Where the insured fails to establish and maintain separate records of production for each unit and all the acreage from which production is commingled is insured, the case shall be handled in accordance with subsection D, paragraph 4, page _____ of this Section. However, if the adjuster feels that insurance with respect to such units should be canceled, he shall prepare Form FCI-6, "Statement of Facts", setting forth the facts which he feels justify this action and his recommendation. In such case if the insurance for such units is canceled, the insured may still be required to pay the current premium.
3. Where the insured fails to establish and maintain separate records of production for "Unclassified" acreage and such production is commingled with production from insured acreage, the production from the "unclassified" acreage will be considered to have been produced on the insured acreage and the loss adjusted in the usual manner.
4. The insured and the adjuster certify only to the basic data appearing on Form 967, which include the measured acreages, the insured interest, the total harvested production, the appraisals of production, and the cause(s) of damage. Therefore, the adjuster shall complete Form 967 only to the extent provided hereinafter.
5. Where it appears that there will not be a loss on the unit, or where the insured requests advice as to the approximate indemnity he may expect to receive, the adjuster may perform the necessary computations on a scratch pad, using the instructions on the reverse side of Form 967, and advise the insured accordingly. If there is no loss, the adjuster should explain to the insured why there is no loss.
6. In all cases the insured shall be advised that the required computations will be made by the Corporation and that his copy of Form 967 will be mailed to him after the audit is completed.
7. Where a statement of facts is required Form FCI-6, "Statement of Facts," should be used to record the necessary information. In cases where more than one statement of facts is required, all such statements may be entered on the same Form FCI-6, insofar as space permits.

Subsection C. Preparation of Form 967 for Usual Cases

1. The instructions set forth in this subsection apply in all cases where (a) the same coverage per acre is applicable to the entire unit, (b) the insured has the same share in all the acreage of the insured crop on the unit, and (c) there has been no transfer of interest in the insured crop on the unit. In all other cases Form 967 shall be prepared in accordance with Paragraphs 1, 2, 3, or 4 of subsection D of this section.

2. Form 967 shall be prepared as follows:

a. Heading:

These entries are self-explanatory. The name of the insured on Form 967 must agree with the way it appears on the contract. If it does not agree and the name of a legal representative, legal entity, transferee or assignee has been entered, Form FCI-6 fully explaining the revision shall be attached to Form 967.

b. Boxes

Box A: Enter the total reported acreage for the insurance unit as shown on the acreage report.

Box B: Enter the measured acreage seeded for harvest as grain or seed, on the insurance unit (excluding (1) any acreage on which the crop is destroyed or substantially destroyed at a time that it could be reseeded to the insured crop and such acreage is not reseeded, (2) any acreage which the state director determines was seeded too late to expect to produce a normal crop and (3) new ground acreage). This acreage shall be accurately determined by the adjuster unless acceptable records of measurement are on file in the county office. All possible use shall be made of permanent field acreages established under other agricultural programs and on file in the county office. Measuring equipment shall be checked for accuracy and corrected, where necessary, prior to its use. Where applicable, the adjuster shall advise the insured of the following:

- (a) If the measured acreage is less than the reported acreage the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly;
- (b) If the measured acreage exceeds the reported acreage, the loss which would otherwise be determined will be reduced proportionately unless the provisions of paragraph (c) below are applicable;
- (c) Where different premium rates are established for (or the insured has different shares in the crop on) parts of the unit, the loss on the planted acres will be reduced on the basis of the ratio of the premium computed for the reported acreage to the premium computed for the planted acreage in cases where the latter is larger.

Box C: Enter the area number(s) applicable to the insurance unit as shown on the county crop insurance map. Where the same coverage per acre applies to all of the acreage on the unit but different premium rates are applicable to parts of the acreage, enter above box C the acreage in each area followed by a dash and the area number. For example: 100 acres - Area 1 and 60 acres - Area 2.

Box D: Enter the insured interest in the insured crop on the insurance unit, which shall be the smaller of (1) the reported share in the crop as shown on the acreage report, or (2) the actual share in the crop at the beginning of harvest or the time of loss, whichever occurs first. This entry shall be shown as a percentage, rounded to the nearest tenth of a percent. Where the insured interest entered in box D is less than the reported share shown on the acreage report, Form FCI-6 explaining the discrepancy shall be attached.

Box E: Commodity Insurance: Enter the "fixed price" per bushel.

Monetary Insurance: Enter the "price per bushel for valuing production."

Box F: Enter 65% if partial insurance protection is applicable. If not applicable enter "none".

c. Part I. Actual and Appraised Production to be Counted on the Insurance Unit.

The following important factors shall be kept in mind in preparing Part I.

1. In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger, round upward; if the last digit is 4 or smaller, disregard it.
2. All acreage figures shall be shown to tenths of acres. Production figures shall be shown as provided on the reverse side of Form 967.

Items 1 through 9: The instructions for completing these items are outlined on the reverse side of Form 967.

In executing items 1 through 4 care should be taken to see that proper appraisals are entered in item 7 for any causes of loss not insured against.

The causes of loss which are not insured against include (but are not limited to) the following:

1. Failure to follow recognized good farming practices, such as the use of defective or unadapted seed, failure to seed a sufficient quantity of seed, failure to properly prepare the land for seeding or properly to seed, care for or harvest and thresh the insured crop (including unreasonable delay thereof);
2. Over-pasturage;
3. Following different fertilizer or farming practices than those considered in establishing the coverage;

4. Seeding on land which is generally not considered capable of producing a crop comparable to that produced on the land considered in establishing the coverage;
5. Seeding excessive acreage under abnormal conditions;
6. Seeding perennial or biennial legumes or perennial grasses with the flax or the growing flax crop;
7. Seeding another crop with the wheat or in the growing wheat crop;
8. Seeding under conditions of immediate hazard;
9. Inability to obtain labor, seed, fertilizer, machinery, repairs, or insect poison;
10. Breakdown of machinery, or failure of equipment due to mechanical defects;
11. Neglect or malfeasance of the insured or any other person in his household or employment connected with the farm as tenant or wage hand;
12. Domestic animals or poultry; or
13. Theft

d. Part IV. Cause(s) of Damage Insured Against.

No uninsured causes of damage shall be entered in Part IV. Each insured cause of damage shall be specifically stated, as provided below, and shall be entered on a separate line, unless there are more than three such causes.

Item 18, 19, and 20: Enter the primary, secondary, and other contributing insured causes of damage to the crop, together with the approximate date each cause of damage occurred and the estimated percent contribution of each such cause to the total loss on the unit due to causes insured against. The entries in the column headed "Estimated Percent Contribution" should total 100 percent. The various insured causes of damage, which shall be used as a guide for uniformity, are listed below:

Lightning	Hurricane
Drought	Hot Winds (including excessive heat)
Hail	Tornado
Fire	Windstorm
Wild Life (animals or birds)	Plant Diseases (which could not be prevented by the insured)
Flood (overflow or backwater)	Insects
Excessive Moisture (rain or seepage)	Noxious weeds not due to poor farming practices.
Winter Kill or	
Frost, Freeze or Snow	

If any part of the loss is due to an act of a person(s), the adjuster shall prepare a Form FCI-6 setting forth all pertinent facts including the name of the person(s), if possible, and the number of bushels of production lost due to the damage caused by such person(s). Form FCI-6 shall be attached to Form 967.

e. Part V. Certification

Item 21: By signing Form 967 the insured agrees to the substitution of the Corporation as his attorney to exercise right of recovery against any person(s) for damage to the crop to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. If applicable, the insured shall be advised of this fact and that he is not to make any settlement with, or execute a release to, such person(s).

Enter in the space provided either "yes" or "no" to the question whether a collateral assignment is outstanding. If a Form FCI-20, Collateral Assignment," approved by the Corporation, is on file in the county office, the word "no" shall not be entered until the adjuster determines that the assignee has released the assignment in writing. Where "yes" is entered, and the insured wants the assignee to be paid separately to the extent of the cash amount of the assignment, a statement to this effect, signed by the insured, must accompany the Form 967. If the statement provides for the issuance of a separate check to the insured and a separate check to the assignee for an amount less than that shown on the assignment, it must also be signed by the assignee. If no such statement is attached, a joint check will be issued.

Wherever possible, the adjuster shall review Form 967 and determine that all necessary entries have been made thereon before it is signed by the insured. After the form is filed by the insured, no person has authority to change or enter thereon any basic data. If after the form has been filed by the insured it is found that any of the basic data shown thereon are incorrect, the case shall be handled in accordance with the procedure set forth in Section III, Subsection A, hereof.

The insured (or other eligible claimant) shall sign and enter the date in the spaces provided in item 21. Before signing, he should be cautioned that his signature must agree with the name in the heading of Form 967 and, where applicable, with his signature on the contract. The signature must actually be affixed by the person whose name appears in the heading of Form 967, or by his authorized representative.

Item 22: The adjuster shall not approve the Form 967 until all basic data have been entered thereon and until it has been signed by the insured.

If the signature is affixed in a representative capacity, the adjuster must determine that a power of attorney or other acceptable evidence is on file in the courthouse or the county office authorizing the person to sign in the capacity in which he signs. If, after the insured has signed the form, the adjuster can certify to the

statements in item 22, he shall sign and date the form in the spaces provided.

Item 23: This item is for the use of the director.

f. Boxes Designated "For Branch Office Use Only"

The adjuster shall make no entries in these boxes, which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the measured acreage shown on Form 967 is less than the reported acreage, thus eliminating the preparation of "revised" acreage reports by the Corporation.

Subsection D. Preparation of Form 967 for Unusual Cases

1. Where the insured has different shares in parts of the insured crop on the insurance unit.

A separate Form 967 shall be prepared for each acreage on the unit on which the insured has a different share. (For example: If the insured has 75 percent interest in 80 acres of the insured crop and 66.7 percent interest in 120 acres of the insured crop on the same unit, one Form 967 shall be prepared for the 80 acres and another Form 967 shall be prepared for the 120 acres). The word "Supplemental" shall be entered immediately above the title on each of these forms. After the "Supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 967 which shall be identified by entering the word "Master" immediately above the title. These "Supplemental" forms and the "Master" form shall be prepared as follows:

(a) "Supplemental" forms

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: Enter the reported acreage and the measured acreage respectively, for the part of the unit covered by the "Supplemental" form.

Box C: Complete this box in the usual manner.

Box D: Enter the insured interest in the acreage covered by the "Supplemental" form.

Boxes E and F: Complete these boxes in the usual manner.

(3) Part I

Enter all the data applicable to the acreage covered by the "Supplemental" form.

(4) No other entries shall be made on the "Supplemental" forms.

(b) "Master" Form

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: To obtain the entry for each of these boxes for the "Master" Form, add the entries for that box appearing on all "Supplemental" forms covering parts of the unit, and enter the sum thereof on the "Master" form.

Box C: Complete this box in the usual manner.

Box D: Enter the word "Varying."

Boxes E and F: Complete these boxes in the usual manner.

(3) Part I

To obtain each of these items for the "Master" form, add the entries for that item appearing on all "Supplemental" forms covering parts of the unit, and enter the sum thereof on the "Master" form.

(4) Complete the "Master" form in the usual manner. It will not be necessary for each "Supplemental" form to be signed by the insured, provided the "Master" form is signed.

2. Where Different Coverages Per Acre Have Been Established for Parts of the Insurance Unit.

A separate Form 967 shall be prepared for the acreage of the insured crop on each part of the unit for which a different coverage per acre has been established. In addition, if the insured has different shares in parts of the insured acreage to which the same coverage per acre applies, a separate Form 967 shall be prepared for each acreage in which the insured has a different share. The word "Supplemental" shall be written immediately above the title on each of these forms. After the "Supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 967 which shall be identified by entering the word "Master" immediately above the title. These "Supplemental" forms and the "Master" form shall be prepared as follows:

a. "Supplemental" Forms

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: Enter the reported acreage and measured acreage, respectively, for the part of the unit covered by the "Supplemental" form.

Box C: Enter the area number applicable to the part of the unit covered by the "Supplemental" form.

Box D: Complete this box in the usual manner, except where paragraph 1 of this subsection is applicable.

Boxes E and F: Complete these boxes in the usual manner.

(3) Part I

Enter all the data applicable to the acreage covered by the "Supplemental" form.

(4) No other entries shall be made on the "Supplemental" forms.

b. "Master" Form

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: To obtain the entry for each of these boxes for the "Master" form, add the entries for that box appearing on all "Supplemental" forms covering parts of the unit, and enter the sum thereof on the "Master" form.

Box C: Enter the area numbers for all "Supplemental" forms covered by the "Master" form.

Box D: Complete this box in the usual manner.

Box E: Complete this box in the usual manner unless the insured has varying interests, in which case enter the word "Varying."

Box F: Complete this box in the usual manner.

(3) Part I

To obtain each of these items for the "Master" form, add the entries for that item appearing on all "Supplemental" forms covering parts of the unit, and enter the sum thereof on the "Master" form.

(4) Complete the "Master" Form in accordance with the usual manner. It will not be necessary for each "Supplemental" form to be signed by the insured, provided the "Master" form is signed.

3. Where there has been a transfer of interest in the insured crop on the insurance unit.

The Regulations provide that in the event of a transfer of interest, the Corporation shall not be liable for a greater indemnity than would have been paid had the transfer not taken place.

a. Transfer of all or part of the insured interest in all of the insured acreage on the unit.

Prepare Form 967 in the usual manner, except that the name of the insured and the insured interest (box D) shall be determined on the basis of the insured interest of the original insured and the information shown on FCI-21-Revised, "Transfer of Interest."

b. Transfer of all the insured interest in a part of the insured acreage on the unit.

(1) If neither paragraph 1 nor paragraph 2 of this subsection applies and only one transfer has been made;

(a) Draw a vertical line through the center of columns A, B, and D.

(b) To the left of the vertical line enter the data for the entire unit.

(c) To the right of the vertical line enter the data for one of the following: (1) if the transferee is submitting the claim, enter the data for the acreage transferred, or (2) if the transferor is submitting the claim, enter the data for the acreage not transferred.

(d) Otherwise prepare the Form 967 in the usual manner.

(2) If neither paragraph 1 nor paragraph 2 of this subsection applies and two or more transfers have been made:

(a) Prepare a Form 967 for each individual (transferor and transferee) who has an insured interest under the contract at the time of loss. These forms shall be prepared in the usual manner except that the words "Transfer of Interest - data for a part of the insurance unit" shall be entered above the title.

(b) Prepare a Form 967 covering the entire unit. The words "Transfer of Interest - data for entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part I.

(c) All Forms 967 prepared for the parts of the unit as well as the one prepared for the entire unit shall be submitted together.

- c. Where there is a transfer of part of the insured interest in a part of the insured acreage on the insurance unit, or where there is one or more transfers and paragraph 1 or paragraph 2 of this subsection applies to the original insured.

(1) Prepare a Form 967 for:

(a) The insured acreage on the unit for each individual transferor or transferee (and, where applicable, each acreage of the insured crop on the unit on which each individual has a different share or for which a different coverage per acre has been established.)

(b) If more than one Form 967 is prepared for the same insured, a "Master" form shall be prepared consolidating such data.

(c) The entire unit as if no transfer had taken place.

(2) Prepare these Forms 967 in accordance with the instructions contained in paragraph 3b (2) above.

4. Where the insured commingles production from two or more insurance units and fails to maintain separate records of production for each insurance unit and all the acreage from which production is commingled is insured.

(a) Prepare Form(s) 967 for each unit in accordance with subsection C of this Section or paragraphs 1, 2, or 3 of this subsection, whichever is applicable, except as follows:

(1) In addition to any identification of the form as required above, enter the words "Part of a combination" immediately above the title on each of these forms.

(2) Enter the word "commingled" in item 1, column B, on each of these forms, and where applicable, in item 2, column B.

(b) Prepare a Form 967 consolidating the data for all of the units in accordance with paragraphs 1, 2, or 3 of this subsection, whichever is applicable, except as follows:

(1) Enter the words "Master - Combination" immediately above the title on this form.

(2) The insurance unit number of all units involved shall be entered in the space provided.

(3) Delete the word "Reported" over box A and insert above the deletion the word "Insured."

- (4) Enter in box A the sum of the insured acreages for all of the units involved. (The insured acreage for each unit is the smaller of the entry in box A and the entry in box B on the form prepared for the entire unit.)
- (5) Enter in item 1, column B, all of the commingled threshed production.
- (6) Enter in item 2, column B, the appraised production for all of the commingled production which is harvested but not threshed.

Subsection E. Other Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

Subsection F. Cases Where the Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the settlement of a loss claim the case shall be referred to the supervisor. If the insured and the supervisor cannot agree two Forms 967 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the supervisor and signed only by him. The supervisor shall submit both forms to the director in accordance with General Procedure 4. If the insured does not file his Form 967 at that time, he shall be advised by the supervisor that such Form 967 must be filed not later than 60 days after time of loss. Every effort should be made to handle these cases as promptly and speedily as possible.

Subsection G. Transmitting Forms 967 to the Director

The adjuster shall forward daily to the director all copies of all completed Forms 967. All copies of any Form(s) FCI-6 prepared as provided in this procedure shall be attached securely to the related Form 967.

SECTION III. CORRECTED FORMS 967, DELAYED NOTICES OF LOSS OR FORMS 967

Subsection A. Corrected Forms 967

If after a Form 967 has been filed by the insured it is found that the basic data thereon are incorrect because of a bona fide error on the part of the insured or the adjuster, a corrected Form 967 (plainly marked "corrected" in the heading thereof) shall be prepared and signed both by the insured and the adjuster. (However, unless the correction would change the indemnity as much as \$5.00, a "corrected" Form 967 may not be approved by the adjuster.)

In addition, the adjuster shall prepare Form FCI-6 fully explaining how the error occurred and including all facts pertinent to the case. The Form FCI-6 shall be attached to the "corrected" Form 967 and transmitted promptly to the director, together with the Form 967 originally filed by the insured, if such form has not already been transmitted. In no case shall the Form 967 originally filed by the insured be destroyed.

If after a Form 967 has been filed by the insured it is found that the basic data thereon are incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form FCI-6 setting forth all pertinent facts regarding the case. This Form FCI-6 shall be transmitted promptly to the director. If the insured wishes to file a "corrected" Form 967 in such cases, the adjuster shall not sign such form but shall attach thereto the Form FCI-6. The Form 967 originally filed by the insured shall of course be transmitted promptly to the director in all cases, if such form has not already been transmitted.

It will not be necessary to prepare a "corrected" Form 967 if the basic data on the original form is correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

Subsection B. Delayed Notice of Loss

The Regulations require the insured to submit a notice of loss to the county office immediately after the completion of threshing if a loss has been sustained on the unit. There is further provision in the Regulations that if notice is not given within 15 days after threshing is completed the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can best be determined.

In making each inspection after the time of loss, the adjuster shall determine the time of loss on the unit as set forth in Section IV, subsection A, 1, b, hereof and compare this date with the date the insured gave notice of the loss at the county office, as shown on Form 8.

- (1) If the notice of loss was given within 15 days after the time of loss the case shall be handled in the usual manner.
- (2) If the notice of loss was given more than 15 days after the time of loss but in sufficient time for a Form 967 to be filed within the 60-day period after the time of loss, the insured shall be informed of the requirement of the Regulations set forth above for giving notice within 15 days after the time of loss. The adjuster shall request the insured to submit along with the Form 967, if one is filed, a statement showing the reasons for the delay in filing a notice of loss. In these cases, the adjuster shall prepare Form FCI-6 showing (a) the portion of the acreage on which the stubble was still standing at the time of inspection, (b) whether he was able to accurately determine the actual acreage, (c) the method used in determining the actual production, (d) whether he is entirely satisfied that all production was accounted for, (e) whether he feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes, (f) in what respects the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 15 days, and (g) any other facts which he considers pertinent to the case.

- (3) Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 967 within the 60-day period after the time of loss, he should act under existing instructions from the director for such cases or request instructions from the director as to whether he should make an inspection.

Where it is not evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 967 within the 60-day period after the time of loss, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Form 967 to be filed within this period, the adjuster shall make the inspection, prepare Form 863 and obtain from the insured a written statement as to the reason for the delay in filing the notice of loss, and submit the case to the director for consideration without preparing a Form 967. However, if the insured insists upon filing a Form 967 in cases of this kind, he should be permitted to do so but he should be informed of the 15-day provision for reporting loss to the county office and the 60-day provision for filing a Form 967, but the adjuster should not sign these Forms 967 indicating his approval.

Subsection C. Delayed Forms 967

The Regulations provide that the Form 967 shall be filed not later than 60 days after the time of loss, unless the time for filing the claim is extended in writing by the Corporation. This 60-day period will not be extended except in the most meritorious cases. Where a Form 967 is submitted more than 60 days after the time of loss as set forth in Section IV, subsection A, 1, b, hereof, the adjuster shall request the insured to submit along with the Form 967, a statement showing the reasons for the delay in order that a determination may be made as to whether the extension is to be granted.

In these cases, the adjuster shall prepare Form FCI-6 showing (a) the portion of the acreage on which the stubble was still standing at the time of inspection, (b) whether he was able to accurately determine the actual acreage, (c) the method used in determining the actual production and per acre appraisals, (d) whether he is entirely satisfied that all production was accounted for, (e) whether he feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes, (f) in what respect the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 60 days, and (g) any other facts which he considers pertinent to the case.

SECTION IV. SETTLEMENT OF LOSS CLAIMS

The adjuster shall advise the insured that any claim for indemnity submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check of the Corporation payable to and mailed to the person(s) entitled to such payment under the Regulations.

SECTION V. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure:

Form 863

The state office copy shall be forwarded to the director.

The insured's copy shall be given to the insured at the completion of the inspection.

The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

Form 967

The adjuster shall forward all copies of Form 967, including the insured's copy to the director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium, as are indicated at the bottom of Form 967, are made on county office records of the insured's premium account.

Form FCI-15 "Transmittal Sheet"

Form FCI-15 will be prepared by the director. The branch office copy shall be forwarded to the branch office together with Forms 967 and any attachments. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.

